



# TEXAS ENTERPRISE FUND

## DESCRIPTION

At Governor Rick Perry's request, the 78th Texas Legislature established the Texas Enterprise Fund (TEF) in 2003 to help attract new jobs and investment to the state. The TEF is used primarily to attract new business to the state, or assist with the substantial expansion of an existing business as part of a competitive recruitment situation. The TEF will only be considered to help close a deal as a final incentive tool, where a single Texas site is competing with another viable out-of-state option. In addition, the project should already have significant local support behind it from a prospective Texas community. Before funds can be awarded, the Governor, Lieutenant Governor and Speaker must unanimously agree to support the use of the TEF for each specific project. The fund can be used for a variety of economic development projects including infrastructure development, community development, job training programs and business incentives. The fund was renewed by the Legislature in 2005, 2007, and 2009.

## ELIGIBILITY

Projects that are considered for the TEF must demonstrate a significant rate of return on the public dollars being invested in the project. Additionally, there are several primary measures that every TEF project must meet in order to be considered for an award. Those include, but are not limited to the following:

- ❖ Competition with another state for the project must exist and the business must not have already announced a location decision;
- ❖ Projected new job creation must be significant – past recipients have typically created more than 100 jobs or more, in urban areas and 50 in rural areas;
- ❖ The new positions must be high-paying jobs – above the average wage of the county where the project would be located;
- ❖ Capital investment by the company must be significant;
- ❖ The project must have community involvement from the city, county and/or school district, primarily in the form of local economic incentive offers;
- ❖ The applicant must be financially sound;
- ❖ The applicant's business sector must be an advanced industry that could potentially locate in another state, or country.

## BENEFITS

The TEF gives Texas the competitive edge in attracting new businesses to the state and assisting with the expansion of existing businesses that might otherwise opt to expand in another state. Additionally, the conservative and thorough methodology behind the grant process and the enforcement of contractual agreements with each awarded company ensure that public dollars invested through the TEF, produce a solid return on investment. To date, the Texas Enterprise Fund has brought more than 52,000 new jobs to the state and generated more than \$14.3 billion in capital investment.

## FOR MORE INFORMATION:

Call (512) 936-0100 or visit [www.governor.state.tx.us/ecodev](http://www.governor.state.tx.us/ecodev)

